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1. Acheson and Bevin continue discussions--Continuing their discussions in London of the world situation, Secretary of State Acheson and British Foreign Secretary Bevin agreed that it would be premature at this time to make final decisions on the question of the future relationship between the US and Europe and that a US statement indicating willingness to work out necessary arrangements would be sufficient. They also agreed that no new organizational machinery appeared necessary to formalize such a relationship. Acheson emphasized the desirability of prompt settlements of two current US-UK problems: petroleum and the structure of a European Payments Union.

Turning to the German problem, Bevin indicated that he considered it to be the most important item on the agenda of the Foreign Ministers' Conference; Acheson and Bevin agreed that the way ought to be left open for Germany to become associated eventually with the North Atlantic organization. They also agreed that direct occupational controls, especially over German domestic affairs, ought to be gradually relaxed according to plan, and not merely in response to German pressure. Acheson then strongly urged that the West should try, during the limited period in which strong influence can still be exerted over Germany, to ensure the development of a democratic pattern of life in that country.

Concerning East-West trade, Acheson emphasized the necessity of quicker policy decisions on the composition and use of the 1-A and 1-B lists, especially on those issues where the interests of military security seemed to conflict with those of trade. Bevin felt that the UK position generally paralleled that of the US, but added that he would discuss the details with the British Board of Trade.

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